



Board of Administration
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To: The Honorable Wesley Chesbro, Chair
Senate Budget and Fiscal Review Committee
Joint Committee on Legislative Budget
State Capitol, Room 5035
Sacramento, CA 95814

The Honorable Michael Machado, Chair
Senate Budget and Fiscal Review Subcommittee #4
State Capitol, Room 5066
Sacramento, CA 95814

The Honorable John Laird, Chair
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Rudy Bermudez, Chair
Assembly Budget Subcommittee #4
State Capitol, Room 5135
Sacramento, CA 95814

Subject: CalPERS Fiscal Year 2006-07 Budget Proposals (First Reading)

Attached is information regarding the California Public Employees' Retirement System's (CalPERS) fiscal year (FY) 2006-07 proposed budget, which was accepted by the Finance Committee (Committee) as a first reading at the March 14, 2006 meeting. The Committee recommended that the Board of Administration (Board) approve the FY 2006-07 budget of \$261.8 million. This is an increase of \$5 million over the FY 2005-06 mid-year budget. The Board subsequently approved the budget at its March 15, 2006 meeting. If approved by the Committee and Board at the April meetings, then this budget will become effective July 1, 2006. The agenda item, as presented to the Finance Committee and Board, is provided for your reference.

In addition, the Board approved \$33.2 million in funding for the CalPERS Headquarters Building Account (CHBA) budget. This is a decrease of \$1.6 million over the prior year. The following attachments represent the detail for the FY 2006-07 budget:

- Attachment 1 Proposed Total Budget Display
- Attachment 2 Budget Summary by Object of Expenditure
- Attachment 3 Formal Budget Requests
- Attachment 4 Budget by Fund Source

Attachment 5 Summary of Budgeted Positions
Attachment 6 Budget by Basis Points
Attachment 7 CalPERS Headquarters Building Account
Attachment 8 Projected Investment Expenditures
Attachment 9 Directed Brokerage Commissions and Expenditures
Attachment 10 Third Party Administrators

This information is being submitted in accordance with Budget Control Language included in the Budget Act of 2005.

If you or your staff have any questions or concerns with this report, please contact Gloria Moore Andrews, Deputy Executive Officer, Operations, at (916) 795-1251, or gloriamore_andrews@calpers.ca.gov.

Sincerely,

FRED BUENROSTRO
Chief Executive Officer

Enclosures

cc: Brian Annis, Consultant
Senate Budget and Fiscal Review Committee
Senate Budget and Fiscal Review Subcommittee #4

Adam Dondro, Consultant
Assembly Budget Committee
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Attn: Indexing Division